

## Message Text

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ACTION OPIC-06

INFO OCT-01 NEA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 L-02 /051 W

----- 083212

R 181305Z FEB 75

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC 1887

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PASS OPIC

E.O. 11652 : N/A

TAGS : EINV, BA

SUBJECT : OPIC INVESTMENT INCENTIVE AGREEMENT

REF : (A) STATE 208300: STATE AIRGRAM A-9461

1. AMBASSADOR AND OPIC REP MORGAN MET WITH MINISTER FOR  
LEGAL AFFAIRS HUSSAIN AL-BAHARNA ON 17 FEB TO DISCUSS REF-  
ERENCED AGREEMENT. MEETING CONTINUED ON 18 FEB. CHANGES  
REQUESTED BY BAHARNA, AND AGREED BY MORGAN SUBJECT TO  
CLEARANCE FROM WASHINGTON ARE AS FOLLOWS (REFERENCE TO  
PARAGRAPH NUMBERS IN REF (A)):

A) DELETE PAREH2 AND SUBSTITUTE FOLLOWING IN LIEU  
THEREOF: QUOTE NO COVERAGE, IN ORDER TO BE ENTITLED  
TO THE BENEFITS OF THIS AGREEMENT, SHALL BE ISSUED BY THE  
ISSUING GOVERNMENT WITH RESPECT TO INVESTMENTS IN PROJECTS  
OR ACTIVITIES IN THE TERRITORY OF THE HOST GOVERNMENT  
UNLESS THE HOST GOVERNMENT APPROVES THE PROJECT OR  
ACTIVITY TO WHICH THE INVESTMENT RELATES AND RECOGNIZES THAT  
THE ISSUING GOVERNMENT MAY ISSUE COVERAGE IN RESPECT  
THERETO. UNQUOTE

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B) IN PARA 3, DELETE PHRASE QUOTE, SUBJECT TO THE

PROVISIONS OF PARAGRAPH 4, UNQUOTE IN FIRST SENTENCE.

C) DELETE LAST TWO SENTENCES OF PARA 3.

D) DELETE PARA 4 AND RENUMBER SUBSEQUENT PARAGRAPHS.

E) DELETE FORMER PARA 5 AND SUBSTITUTE FOLLOWING IN LIEU THEREOF: QUOTE AMOUNTS IN THE LAWFUL CURRENCY OF THE HOST GOVERNMENT AND CREDITS THEREOF ACQUIRED BY THE ISSUING GOVERNMENT UNDER COVERAGE ISSUED PURSUANT TO THIS AGREEMENT SHALL BE ACCORDED TREATMENT NO LESS FAVORABLE THAN THAT ACCORDED TO FUNDS OF NATIONALS OF THE UNITED STATES OF AMERICA, DERIVING FROM INVESTMENT ACTIVITIES LIKE THOSE IN WHICH THE INVESTOR HAS BEEN ENGAGED, AND SUCH AMOUNTS AND CREDITS SHALL BE FREELY AVAILABLE TO THE ISSUING GOVERNMENT FOR ITS USE IN THE TERRITORY OF THE HOST GOVERNMENT. UNQUOTE

F) CHANGE BEGINNING OF SECOND SENTENCE IN FORMER PARA 6(A) TO READ AS FOLLOWS: QUOTE IF ANY SUCH DIFFERENCE CANNOT UNQUOTE.

A

SO) CHANGE REFERENCE TO PARAGRAPH 6(B) AT END ON DMER PARA 6(A) TO PARAGRAPH 5(B).

H) CHANGE BEGINNING OF FIRST SENTENCE IN FORMER 6(B), TO READ AS FOLLOWS: QUOTE ANY CLAIM AGAINST THE HOST GOVERNMENT WHICH ARISES OUT OF ANY INVESTMENT OR INTEREST THEREINS N RESPECT OF WHICH COVERAGE HAS BEEN ISSUED IN ACCORDANCE WITH THIS AGREEMENT AND WHICH, IN THE OPINION OF EITHER GOVERNMENT, PRESENTS A QUESTION OF PUBLIC INTERNATIONAL LAW, OR ANY DIFFERENCES REFERRED TO IN PARAGRAPH 5(A), SHALL UNQUOTE.

I) IN LAST SENTENCE OF FORMER PARA 6(B), CHANGE QUOTE DECISION IN UNQUOTE TO QUOTE DECISION ON UNQUOTE.

J) DELETE FORMER PARA 8.

K) CHANGE FINAL PHRASE OF NOTE QUOTE THE AGREEMENT TO ENTER INTO FORCE IN ACCORDANCE WITH PARAGRAPH 8 UNQUOTE TO QUOTE THE AGREEMENT TO ENTER INTO FORCE ON THE DATE OF YOUR NOTE LIMITED OFFICIAL USE

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IN REPLY UNQUOTE.

2. EXPLANATIONS OF CHANGES ARE AS FOLLOWS:

A) BAHARNA WANTED THE LANGUAGE OF PARA 2 FROM UAR AGREEMENT BUT INDICATED HE WOULD ACCEPT PROPOSED ALTERNATIVE AS COMPROMISE. IT DOES NOT APPEAR TO CHANGE SUBSTANCE OF PARA 2 REF (A).

B) SELF-EVIDENT.

C) BAHARNA THOUGHT FINAL SENTENCE WAS OBVIOUS AND DIDN'T NEED STATING. MORGAN REPLIED IT WAS NEEDED AS QUALIFICATION ON FORMER SENTENCE. BAHARNA THEN PROPOSED DELETING THEM BOTH IN INTEREST OF BREVITY. SINCE DELETION OF BOTH SENTENCES IS CONSISTENT WITH MANY OPIC AGREEMENTS IN FORCE THROUGHOUT WORLD, AND SINCE IT IS CLEAR FROM FORMER PARA 6(B) THAT PRINCIPLES OF PUBLIC INTERNATIONAL LAW APPLY, DELETION WOULD NOT APPEAR TO BE SUBSTANTIVE MATTER.

D) BAHARNA SAID BAHRAIN HAS NO LAWS OF KIND REFERRED TO IN FORMER PARA 4 AND THAT HE DID NOT BELIEVE REFERENCE TO POSSIBILITY OF SUCH LAWS WOULD BE CONVENIENT FOR HIS GOVZBNMENT. THIS DELETION WOULD FAVOR OPIC.

E) SUBSTITUTE LANGUAGE IS TAKEN FROM OPIC 1972 AGREEMENT WITH YEMEN AND WAS AUTHORIZED BY REF (B). CHANGES IN REFERENCES FROM QUOTE FUNDS OF NATIONALS OF THE UNITED STATES OF AMERICA UNQUOTE TO QUOTE FUNDS OF FOREIGN NATIONALS UNQUOTE CAME FROM BAHARNA (CF MANAMA 0184), NOT FROM OPIC. HE NOW REALIZED THIS WAS NOT DESIRABLE FROM POINT OF VIEW GOB. HE WAS ALSO UNWILLING ACCEPT MOST-FAVORED NATION LANGUAGE IN REF (A). SINCE OTHER OPIC AGREEMENTS DO NOT CONTAIN SUCH LANGUAGE, AND SINCE ITS DELETION WAS AUTHORIZED BY REF (A), AND SINCE REF (B) PROPOSED TO GOB DID NOT CONTAIN SUCH LANGUAGE, ACCEPTANCE OF DELETION IS RECOMMENDED.

F) SELF-EVIDENT.

G) SELF-EVIDENT.

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H) STYLISTIC CHANGE.

I) SELF-EVIDENT.

SJ) BAHARNA SAID THE AGREEMENT DOES NOT HAVE TO BE APPROVED BY PARLIAMENT.

3. THIS AGREEMENT HAS BEEN DELAYED IN BAHARNA'S OFFICE FOR ALMOST TWO YEARS. HOPEFULLY THESE CHANGES CAN BE APPROVED SPEEDILY, SO THAT WE CAN PROCEED WITH PROMPT SIGNING WHILE MATTER IS STILL FRESH IN HIS MIND.  
TWINAM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, NEGOTIATIONS, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D750058-0254  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750235/aaaabftn.tel  
**Line Count:** 166  
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**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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Margaret P. Grafeld  
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**Subject:** : OPIC INVESTMENT INCENTIVE AGREEMENT  
**TAGS:** EINV, BA, US, OPIC  
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**Type:** TE  
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